

ORIGINAL

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2 MEETING OF THE GOVERNING BOARD  
3 OF THE CHICAGO DEVELOPMENT FUND  
3 NEW MARKETS TAX CREDITS PROGRAM

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9 City Hall, Room 1000  
10 121 North LaSalle Street  
Chicago, Illinois

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Friday, October 23, 2009  
9:00 a.m.

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14 Christine Raguso, Chairperson  
Stephanie Neely, Treasurer  
15 Margaret Laurino, Alderman  
Carrie Austin, Alderman  
16 Eugene Munin, Budget Director  
Gene Saffold, CFO  
17 William Eager  
Rafael Leon  
18 Mitchell Holzrichter  
Tony Smith  
19 Jolene Saul  
Scott Fehlan  
20 Lori Lypson

21

22 Reported by Shari L. Szerbat

23

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1 CHAIRPERSON RAGUSO: Welcome, everyone, to the  
2 fourth quarter 2009 meeting of the Chicago  
3 Development Fund.

4 MR. SAFFOLD: Well, thank you.

5 MR. MUNIN: Was that for the record or --

6 CHAIRPERSON RAGUSO: Welcome to the Department  
7 of Community Development. I'm not sure if you've  
8 been up here before.

9 MR. MUNIN: I have.

10 CHAIRPERSON RAGUSO: So I'd like to take a  
11 roll call. Alderman Austin?

12 ALDERMAN AUSTIN: Here.

13 CHAIRPERSON RAGUSO: Alderman Burke?

14 (No response.)

15 Alderman Laurino?

16 (No response.)

17 Anne McNabb? We should probably  
18 take her off.

19 (No response.)

20 MR. SMITH: Oh, I'm sorry. That was supposed  
21 to be changed.

22 CHAIRPERSON RAGUSO: Yes. Strike that.

23 Gene Saffold?

24 MR. SAFFOLD: Here.

1 CHAIRPERSON RAGUSO: Gene Munin?

2 MR. MUNIN: Here.

3 CHAIRPERSON RAGUSO: Stephanie Neely?

4 (No response.)

5 Commissioner Raguso?

6 Here.

7 We have a quorum. First order of  
8 business, approval of the minutes from May 20th,  
9 2009, our Governing Board meeting.

10 ALDERMAN AUSTIN: Madam Chair, I move that we  
11 approve the minutes from the last Governing Board  
12 meeting.

13 MR. SAFFOLD: Second.

14 CHAIRPERSON RAGUSO: All those in favor?

15 (Chorus of ayes.)

16 Minutes are approved.

17 Second order of business, status of  
18 approved and special transactions in the Chicago  
19 Development Fund pipeline. I would ask S.B.  
20 Friedman to walk us through the presentation.

21 ALDERMAN AUSTIN: What's your name again?

22 MR. SMITH: My name is Tony Smith, S.B.

23 Friedman & Company. Thank you.

24 Thanks, everybody, for coming out in

1 terrible weather and budget season and all that.  
2 This is one of the great perks of being budget  
3 director is to be on the Chicago Development Fund  
4 Board.

5 MR. MUNIN: Among many.

6 MR. SAFFOLD: It was a key draw, key  
7 attraction.

8 MR. SMITH: This has been a pretty busy period  
9 for Chicago Development Fund since the last meeting,  
10 so just running through the transactions that CDF  
11 has approved on which there's been significant  
12 action.

13 So in the May 2009 meeting, this  
14 body voted on the Christ King deal, the Gary Comer  
15 College Prep deal, the Greater West Town deal. I  
16 believe the Imperial Zinc deal was voted on in the  
17 prior meeting, but all four of those deals have  
18 closed.

19 Imperial Zinc closed in 2009. Christ  
20 King and Gary Comer College Prep closed in June  
21 2009, and Greater West Town Community Career  
22 Training & Economic Development Center closed in  
23 September. And then the Homan Square Powerhouse,  
24 which was the first transaction that this body

1 approved and CDF financed, just reached completion  
2 in August.

3 We actually have a representative  
4 from the U.S. Treasury and a couple of our folks  
5 and some people from U.S. Bank there right now doing  
6 a tour of the facility, and it's absolutely gorgeous.  
7 It just won a national rehabilitation -- or,  
8 historic rehab award as well.

9 So this was -- just to refresh  
10 everybody's memory, it was a \$15 million allocation  
11 from Chicago Development Fund, which translates into  
12 about four and a half million of gap financing  
13 subsidy.

14 The school is operated by the Henry  
15 Ford Learning Institute of Dearborn, Michigan.  
16 It's a charter high school in North Lawndale. It's  
17 on the old Sears campus, the former power plant that  
18 used to provide energy to the campus.

19 It was a \$43 million project, as I  
20 mentioned, closed -- or, completed in August 2009.  
21 They're now operating with two out of the four grade  
22 levels in the school, and they're going to add  
23 additional grade levels next year and the year  
24 after. So at full capacity, which is two years

1 from now, it will serve about 500 students.

2 It's a very green structure. They  
3 have a geothermal heating and cooling system in a  
4 railroad embankment next to the property. They're  
5 anticipating that they're going to get LEED Gold  
6 certification after the Green Building Council has  
7 reviewed the completed building.

8 And it's an historic rehabilitation  
9 according to National Park Service Standards. It's  
10 an historic tax credit deal, so not a cheap building  
11 to build, and so a lot of tax credit equity from  
12 U.S. Bank both in the New Markets arena and historic  
13 tax credit arena.

14 There are a couple more shots of the  
15 completed building.

16 (Treasurer Neely is now present.)

17 ALDERMAN AUSTIN: Are there -- this is the  
18 same building, right?

19 MR. SMITH: Yeah.

20 ALDERMAN AUSTIN: Are there any contaminants  
21 in there? Were there any tanks or anything?

22 MR. SMITH: There was some remediation within  
23 the building during the demolition phase because  
24 there was still -- it was basically a forest of

1 power generation equipment from the facility. So  
2 the first step was demolishing -- or, removing all  
3 of that equipment and abating any contaminants that  
4 may have been remnants.

5 ALDERMAN AUSTIN: Okay. So from US EPA, you  
6 got certificates for that?

7 MR. SMITH: Yeah.

8 ALDERMAN AUSTIN: For remediation?

9 MR. SMITH: Yeah. They're in compliance with  
10 all the environmental requirements.

11 ALDERMAN AUSTIN: And what was the cost?

12 MR. SMITH: The cost of the cleanup itself?

13 ALDERMAN AUSTIN: Um-hmm.

14 MR. SMITH: I don't know that off the top of  
15 my head. I can certainly dig that up.

16 ALDERMAN AUSTIN: Please.

17 MR. SMITH: Sure. So just a couple shots  
18 here. This is the -- on the left, that's the back  
19 of the building. They had to build an extensive  
20 fire escape system to meet CPS standards, so  
21 basically adding this new superstructure outside of  
22 the building in the rear. But they've done it in a  
23 very attractive fashion, so it's quite an amenity  
24 for the building.

1                   In the middle, that's one of the  
2 classroom spaces. All the interior rooms are very  
3 unique because the building is -- it's a power  
4 plant, so it's an interesting reuse of that  
5 structure. So they're actually incorporating the  
6 old legacy pieces in the building as an educational  
7 tool.

8                   There's still some coal conveyor  
9 equipment, and the big chimney is still on the  
10 building, so they use that as part of the curriculum  
11 to instruct on energy production then and now as  
12 well as some architectural curriculum.

13                  ALDERMAN AUSTIN: So how did they incorporate  
14 that part into the class structure?

15                  MR. SMITH: You know, they've done it a couple  
16 different ways. I think they tour the building, and  
17 then they look at the old equipment and describe how  
18 it was used. And then they are focusing on energy  
19 production in their current curriculum as well as  
20 newer technology and sort of contrasting the two  
21 technologies, using that as a jumping off point to  
22 talk about coal as the less clean energy source  
23 versus newer sources.

24                  ALDERMAN AUSTIN: The reason why I'm asking

1 is because, you know, I have a solar energy power  
2 plant out by us, and I'm trying to see how I can  
3 integrate education at my college out there. So  
4 I'm trying to see how one can fold into the other  
5 or how I can start anew as to folding it into a  
6 different energy source.

7 CHAIRPERSON RAGUSO: Alderman --

8 ALDERMAN AUSTIN: Yes.

9 CHAIRPERSON RAGUSO: -- can we ask that the  
10 folks, the administrators from the school, maybe  
11 come down and visit with you so that they can tell  
12 you how they've incorporated it into their curriculum  
13 to give you some ideas on how you can implement it?

14 ALDERMAN AUSTIN: Yes, that would be great.

15 Thank you.

16 MR. SMITH: Next up, Imperial Zinc. This one  
17 closed in May of 2009, so this is a much smaller  
18 deal, \$6 million financing from Chicago Development  
19 Fund.

20 So this was a facility that had been  
21 operating in the Pullman neighborhood for a long  
22 time. It had a large fire in August of 2008 and  
23 was at a decision point as to whether they wanted  
24 to rebuild in place a larger and higher production

1 capacity or to relocate.

2                   So Chicago Development Fund provided  
3 6 million of allocation which translated into about  
4 a million four of actual subsidy value to the  
5 project, and that was enough to make the economics  
6 work for Imperial to rebuild with a larger facility.  
7 So that preserved 40 jobs and allowed it to add 45  
8 jobs when they get up to full production capacity  
9 at 103rd next to the Bishop-Ford.

10                  They're actually doing quite well in  
11 their construction. As you can see, the photograph  
12 looks very much like the rendering, probably closer  
13 than any other building I've ever seen. It's a  
14 simple building, so maybe that's why.

15                  The shell is complete. They're  
16 painting the shell, and they think they're going to  
17 open in February 2010, which is a little bit ahead  
18 of schedule.

19                  ALDERMAN AUSTIN: And what is it that they  
20 provide?

21                  MR. SMITH: They process zinc, so they produce  
22 zinc anodes and alloys.

23                  ALDERMAN AUSTIN: Okay.

24                  MR. SMITH: So they'll actually add 55 new

1 positions eventually.

2                   And the third transaction -- this  
3 closed in early June -- the Christ King College  
4 Prep. This was a \$17 million NMTC allocation from  
5 Chicago Development Fund, just over 5 million in  
6 terms of actual subsidy value to the project. LISC  
7 also provided \$14 million of allocation, so a total  
8 of 31 million in allocation for this \$35 million  
9 deal.

10                  This is a 100,000 square foot  
11 facility, which actually some of the CDF staff  
12 again -- and I'm not sure if the Chair is going to  
13 be joining us, but at least a couple CDF staff are  
14 going to be touring with the U.S. Treasury rep  
15 that's in town today.

16                  This is under construction in the  
17 Austin community area. It's a -- it's operating on  
18 the Cristo Rey model, which has already been  
19 implemented in one school in Chicago. For 600  
20 students, this would provide internship placements  
21 in local businesses which in turn helps to generate  
22 the subsidy that deeply subsidizes the students'  
23 tuition.

24                  Gary Comer College Prep also closed

1 in early June. This is at \$21.5 million NMTC  
2 allocation from Chicago Development Fund or about --  
3 it was 5.6, 5.7 million or so subsidy value  
4 generated by that for the project.

5                   This is a new charter high school  
6 facility in the Revere neighborhood within the  
7 Greater Grand Crossing community. It's a charter  
8 school that's going to be operated by Noble Network  
9 of Charter Schools, which is one of the premier  
10 operators in the city.

11                  The building is under construction  
12 with an expectation of the students being able to  
13 move in for the 2010/2011 academic year, and it  
14 will serve 530 students at completion.

15                  It's next to the Gary Comer Youth  
16 Center, which is an existing facility that the Comer  
17 Foundation put in place a couple years ago which  
18 provides after-school programming. It provides  
19 meals before school and a host of other services,  
20 including hosting the South Shore Drill Team, so a  
21 very complementary facility here with the high  
22 school and a very efficient sharing of facilities.

23                  This is part of the Comer  
24 Foundation's broader efforts to really transform

1 the Revere community and reverse some of the  
2 disinvestments that happened over the last few  
3 decades. So this includes investment in the middle  
4 school that's a couple blocks away where Gary Comer  
5 attended long ago. And he's put about \$7 million  
6 into improvements there. Then they still have  
7 about 90 to 100 scattered site housing units in the  
8 immediate neighborhood as well.

9                   The facility is anticipated to get  
10 LEED certification at completion. And there was  
11 also capital provided by Northern Trust, both  
12 traditional bank debt and the New Markets Tax  
13 Credits equity.

14                   Kind of a coup for Chicago  
15 Development Fund because this was Northern Trust's  
16 first New Markets Tax Credits transaction, and  
17 that's one of the major issues in this arena, that  
18 some of the banks that were participating in the  
19 program, like Citibank and National City Cap  
20 Market, have really pulled back on their investment  
21 in the credit due to profitability issues.

22                   So finding new players to actually  
23 begin investing in the program is important to keep  
24 the appetite up for the credits to keep the pricing

1 at a point where it can provide meaningful subsidy  
2 to the deals.

3                   And then the most recent one to  
4 close, really a major combination of different  
5 financing programs from every level of government,  
6 state, federal and local, this is the Greater West  
7 Town project or the Community Career Training &  
8 Economic Development Center.

9                   This is a 60,000 or so square foot  
10 rehab of an old envelope factory at North Sacramento,  
11 500 North Sacramento, right near the Chicago Center  
12 for Green Technology on the West Side.

13                  Greater West Town Community  
14 Development project has been in operation for about  
15 20 years. It's really a phenomenal organization.  
16 They provide adult vocational training in high-tech  
17 woodworking as well as in shipping and receiving  
18 and logistics.

19                  And then they also serve about 150  
20 high school students, all of whom have previously  
21 dropped out of the CPS system. So it's a charter  
22 school for those students providing a normal high  
23 school education as well as an added vocational  
24 training. And they actually graduate 70 percent of

1 those students, which --

2 ALDERMAN AUSTIN: And who is the -- who is  
3 running this facility?

4 MR. SMITH: It's the Greater West Town  
5 Community Organization.

6 CHAIRPERSON RAGUSO: Who is the -- who is the  
7 high school, though -- who is the principal? I  
8 can't remember her name.

9 MR. SMITH: I don't remember off the top of  
10 my head.

11 CHAIRPERSON RAGUSO: This was -- for the  
12 Board, this was one of the most challenging projects  
13 to finance. It had so many different layers in it  
14 to get it done, and we did it. And it just goes to  
15 show you what it's taking to get projects done these  
16 days.

17 But we did it, and they're under  
18 construction, and it's going to give folks in this  
19 community and folks who otherwise wouldn't have a  
20 chance jobs, a second chance at a good career.

21 ALDERMAN AUSTIN: Well, the reason why I'm  
22 inquiring, because a facility such as this would  
23 work well on the far South Side given the over-  
24 crowdedness of all of our schools that the

1 disadvantaged and disenfranchised students that I  
2 have.

3 So I need to be able to get in touch  
4 with the individual on how we can structure  
5 something like this out in the far South because  
6 Alderman Beale, myself and Alderman Pope all have  
7 industrial areas that have large existing  
8 buildings --

9 CHAIRPERSON RAGUSO: If you would like --

10 ALDERMAN AUSTIN: -- that don't have  
11 contaminants in them.

12 CHAIRPERSON RAGUSO: -- I would be happy to  
13 set up that meeting for you.

14 ALDERMAN AUSTIN: All right. Thank you.

15 MR. SMITH: So this -- the structure for this  
16 deal included 3.1 million in TIF assistance from  
17 the City which was structured in a very careful way  
18 to allow it to serve as a leveraged source for the  
19 New Markets Tax Credits transaction, 9.3 million in  
20 allocation from Chicago Development Fund, which  
21 translated into 2.8 million of subsidy.

22 And then CDF actually then reached  
23 out to the State of Illinois Department of Commerce  
24 & Economic Opportunity and took advantage of a new

1 program that was created this year called the  
2 Illinois State New Markets Tax Credit Program.

3 That's essentially a parallel program  
4 to the federal, and the state is -- just began  
5 rolling it out in April of this year. So they  
6 provided also 9.3 million of state allocation which  
7 provided another million three or so of benefit to  
8 the project.

9 So by layering these sources  
10 together and then also maxing out Greater West  
11 Town's available capital for the project and their  
12 borrowing capacity with Harris Bank, the deal was  
13 able to get done.

14 MR. SAFFOLD: How much was their bank loan?

15 MR. SMITH: Two and a half million tied to  
16 project cash flow and then 2.1 tied to TIF from  
17 Harris.

18 MR. SAFFOLD: What's their cash flow then?  
19 I'm just curious in terms of are there grant monies,  
20 or do they have a revenue stream?

21 MR. SMITH: Yeah, they have -- they get a  
22 staple of grants from state, federal and local  
23 sources, and they provided a very strong operating  
24 history of being able to maintain those grants as

1 well as some philanthropic contributions. So the  
2 underwriting really focused heavily on that track  
3 record, and you know, if you lose this source, can  
4 you replace it with another source, that sort of  
5 thing.

6                   So an update on Muntu Performing  
7 Arts Center which is a transaction that first came  
8 before this body a long time ago. I believe it was  
9 the fall of 2008. So this is a 40,000 square foot  
10 facility proposed in the Kenwood community area on  
11 Greenwood.

12                  So that one got very close to  
13 closing, but it got tied up in credit crunch issues.  
14 Seaway Bank, which was one of the participating  
15 lenders in the deal, decided at the eleventh hour  
16 that they were not able to participate, and that  
17 effectively put the project on hold.

18                  Since that time, Muntu began  
19 exploring using an existing facility and doing a  
20 renovation project instead of building a new  
21 facility. So at this point, it's a project that  
22 CDF is supportive of, but the deal would need to be  
23 restructured and would need to come before this body  
24 again if the transaction was to go forward.

1           TREASURER NEELY: What are they doing with the  
2 eyesore that's on the corner?

3           MR. SMITH: The property that the City  
4 conveyed them? I don't know. I believe the City  
5 is going to have that reconveyed back to the City.

6           CHAIRPERSON RAGUSO: Treasurer Neely, we're  
7 still working with them. It's obviously a cash flow  
8 issue. The dollars just aren't working. We were  
9 excited about this opportunity because we thought  
10 it would complete the corner.

11           But we still stay in constant  
12 communication with them trying to figure out if  
13 there is a way to make it work, and we're also  
14 working with the local elected officials to  
15 determine if there are any other potential users to  
16 renovate the eyesore, as you referred to, that  
17 exists today.

18           MR. SMITH: Testa Produce, this again came  
19 before the Board at first last fall. This is a  
20 local food processor and distribution facility.  
21 You probably see their trucks all over town.  
22 They're the blue trucks with the gold lettering on  
23 them, and they all run on biodiesel, which I found  
24 interesting in talking to them.

1                   It's a 100,000 square foot facility  
2 that would be extremely green, LEED-Platinum. It  
3 would be the first food processing and distribution  
4 facility in the country that would achieve  
5 LEED-Platinum. It's located in the Stockyards  
6 Industrial Corridor.

7                   U.S. Bank was initially going to be  
8 the lender to this project as well as the tax credit  
9 investor, and they spent three or four months  
10 underwriting Testa's operating history in detail  
11 and then looking very carefully at its first and  
12 second quarter '09 sales results. And U.S. Bank  
13 decided that they could not do a construction loan  
14 at this time.

15                  However, we've been finding out that  
16 U.S. Bank is substantially more conservative than  
17 some other lenders in town, so Testa is essentially  
18 regrouping and talking to a couple other lenders at  
19 this point to see if they can access a similar  
20 amount of construction debt from one of them.

21                  In particular, they've banked with  
22 Harris for a long time, and so Harris is likely to  
23 have a better understanding of the operating  
24 strength of the company and how to value it for

1 underwriting purposes.

2 So just an illustration of the credit  
3 crisis and how it impacts projects. This is a \$20  
4 million project that the appraisal for the -- the  
5 proposed facility came in at 11 and a half million  
6 due to the really distressed real estate market at  
7 this point.

8 So it's challenging, but we're still  
9 hopeful that that deal can get done in some form,  
10 but again, that would probably need to come back to  
11 this body since the nature of the capital structure  
12 needs to change, and the project cost may change as  
13 well.

14 ALDERMAN AUSTIN: So at this time, we're going  
15 to put this project on hold?

16 MR. SMITH: Correct. Yeah, yeah.

17           TREASURER NEELY: It was approved, but now  
18 it's --

19 MR. SMITH: Right.

20 So just an overall summary of the  
21 fourth round allocation. In terms of allocation  
22 that has been closed, i.e., legally committed in a  
23 binding way to projects, 68.8 million out of CDF's  
24 total \$100 million allocation is now closed. That

1 leaves 31.2 million. So to date the closed projects  
2 include four community facilities and one industrial  
3 project.

4 So based on these closings that  
5 happened since the last meeting, CDF met two  
6 deadlines. One was a mid June deadline which would  
7 allow CDF to compete for allocation in this 2009  
8 round. And actually we're expected to hear news on  
9 that very shortly.

TREASURER NEELY: What did we ask for again?

11 MR. SMITH: We asked for 125. You never get  
12 what you ask for, though. So next week is the  
13 expected date to hear more about that.

14 And then CDF also met a deadline in  
15 its allocation agreement to have 60 percent of its  
16 allocations closed by the end of September 2009.

17           TREASURER NEELY: Chair, can you send an  
18 e-mail out to the body so that we know what our  
19 allocation is?

20 CHAIRPERSON RAGUSO: When we get it,  
21 absolutely.

22 MR. SMITH: There are a number of projects  
23 still in CDF's pipeline. Whether they can take  
24 advantage of this allocation, the remaining 31.2

1 million, or potential future allocations is based  
2 on what CDF foresees and what the timing of these  
3 projects is.

4                   But -- so we have five projects in  
5 what we call the intake phase where we're having  
6 discussions upfront before they file an application,  
7 helping them understand how New Markets Tax Credits  
8 could work with their projects and advising them on  
9 how to fill out the application; nine projects that  
10 have submitted applications that are pending,  
11 essentially waiting for evidence that the  
12 transactions are more ready to move forward; and  
13 then these two, Testa and Muntu, that are in the  
14 restructuring phase.

15                  So a total of 16 projects in our  
16 pipeline, and we continue to get inquiries that --  
17 for new projects of various sorts. In terms of  
18 what types of projects those are, nine of those are  
19 community facilities, three are industrial, and  
20 then four are grocery anchor projects.

21                  CDF is very excited about the  
22 prospect of getting a grocery deal done since that's  
23 the third mission component that so far we haven't  
24 been able to close anything in.

1                   Overall continued high demand for  
2 the allocation. 209 million of total requested  
3 allocation among these various prospects I  
4 mentioned. The submitted applications within that  
5 group represent 126 million, so over a 4-to-1 demand  
6 for the remaining credits. So it's really a  
7 function of who's ready and who can get the most  
8 benefit from New Markets Tax Credits within that  
9 time frame.

10                  So just some examples of some of  
11 these potential projects. Aldi is looking at doing  
12 a couple new store facilities in the city. One  
13 would be a replacement of an older existing store  
14 at 63rd and Wallace with a new prototype that's up  
15 to the street. It's a lot more attractive.

16                  They would also look to do a second  
17 store as part of the same financing at 83rd and  
18 Stewart. So they submitted an application looking  
19 to try to get 7 million of NMTC allocation involved  
20 in that transaction.

21                  TREASURER NEELY: Is 63rd and Wallace  
22 considered a grocery desert?

23                  MR. SMITH: It is, yeah.

24                  CHAIRPERSON RAGUSO: Treasurer, all of our

1 targets for these allocations are in the identified  
2 food deserts.

3 MR. SMITH: So we're currently working with  
4 Northern Trust and trying to put something together  
5 to bring back before this body in a subsequent  
6 meeting with that.

7 Ultra Foods is also another prospect.  
8 There's a site at 63rd and Halsted -- there's a  
9 proposal on the table -- to do a grocery-anchored  
10 shopping center that includes that as the anchor,  
11 60,000 square foot full-line Ultra Foods.

12 So these are in the orbit of Kennedy-  
13 King College and the new recent investments the  
14 City's made, so part of an overall -- sort of a  
15 secondary strategy of CDF's to concentrate  
16 investments really to try to make a heavier impact  
17 in key zones in the city that need it.

18 Then Finkl Steel, a major producer  
19 of certain specialty steel projects. They've been  
20 in Lincoln Park for a very long time, over 100  
21 years. They're seeking to move into a much newer,  
22 much higher capacity facility, and they're looking  
23 at a site on the South Side.

24 This would allow Finkl to remain in

1 Chicago and preserve 300 very high-quality  
2 industrial jobs. So CDF is working closely with  
3 the City of Chicago and in discussions with Finkl  
4 to see if a New Markets Tax Credit transaction can  
5 help this along and then also, perhaps, relieve  
6 some pressure on other requests for City subsidy  
7 to the transaction.

8 MR. SAFFOLD: How much are they looking for?

9 MR. SMITH: We need to chat with them about  
10 that.

11 CHAIRPERSON RAGUSO: They're looking for TIF.  
12 They're looking for New Market Tax Credits.

13 MR. SAFFOLD: They're looking for grants.

14 CHAIRPERSON RAGUSO: They're looking for  
15 grants. They're looking to the State. I mean,  
16 again, it's that whole plethora of funding  
17 opportunities.

18 MR. SMITH: One concept is that the Chicago  
19 Development Fund New Markets Tax Credits'  
20 participation could replace the existing utility  
21 tax flow that they're paying at their Lincoln Park  
22 facility, and so that could stay in the City budget,  
23 and then only the incremental could be pledged, and  
24 then New Markets could make up the difference.

1                   We would also hope to get other New  
2 Markets allocatees to provide credits to the  
3 transaction, so perhaps either further reducing  
4 City participation or increasing their gap financing  
5 with the deal or both.

6                   TREASURER NEELY: Any thoughts as to what  
7 would go in the existing facility?

8                   CHAIRPERSON RAGUSO: As you know, it's in a  
9 planned manufacturing district which it's called  
10 for manufacturing. They have been in to see  
11 Commissioner Patti Scudiero to rezone the property  
12 to allow for residential, and from the City's  
13 perspective, from a land use perspective, planned  
14 manufacturing districts are sacred land for  
15 insuring that we preserve our manufacturing base.

16                   So there are no prospects right now  
17 to go in and utilize Finkl. They're still  
18 obviously fighting to change it to residential to  
19 allow for retail. So Commissioner Scudiero has  
20 opined that it is to remain a planned manufacturing  
21 district, and the zoning will not change.

22                   MR. SMITH: Any further questions?

23                   CHAIRPERSON RAGUSO: I would like for the  
24 minutes to reflect that we've been joined by the

1 treasurer for the City of Chicago, Stephanie Neely.

2 And so while we're on this, Tony, I  
3 would give the floor also to you to discuss with  
4 the Board the status of the 2009 allocation with  
5 New Markets Tax Credits.

6 MR. SMITH: Right. So this is actually a big  
7 week in the New Markets Tax Credits world.

8 Novogradac, which is one of the two major accounting  
9 firms in the industry, is having a conference over  
10 at the Swissotel yesterday and today. Our Chair  
11 gave the keynote address yesterday and showed off  
12 some of the same projects we talked about today.  
13 It went over really well.

14 And so today we actually have a rep  
15 from the CDFI Fund at the U.S. Treasury who is in  
16 charge of the allocations to the tax credits and  
17 monitoring the program, she's in town, and she's  
18 currently at the Homan Powerhouse with U.S. Bank  
19 and with CDF staff.

20 And then she's actually coming here  
21 to meet with Commissioner Raguso and Bill Eager  
22 after this meeting, and then we're going to go tour  
23 the Christ the King facility with them.

24 So good timing, and then hopefully

1 next week we'll hear some news about the future  
2 allocation. I think that's about it.

3 CHAIRPERSON RAGUSO: I did want to share with  
4 the Board, we have an Advisory Board that meets  
5 before we come to you who does all the homework  
6 before we present to you a package, and we are  
7 joined by the chairman of that Board, Rafael Leon.

8 One thing that we suggested at the  
9 last Advisory Board meeting was for the Board  
10 members to take a tour of the sites that they are  
11 putting forth. And these are unbelievable projects  
12 in neighborhoods where we desperately need something.  
13 And to pull these projects off, it's a great feat.

14 So I don't know if there's any  
15 interest from this Board to go tour the facilities  
16 that you're approving and that you're making happen.  
17 But if that's something you all would be interested  
18 in, I would be more than happy to organize a quick  
19 tour of these facilities so you could see them.

20 ALDERMAN AUSTIN: Well, I do want to tour the  
21 one --

22 CHAIRPERSON RAGUSO: The Homan Powerhouse.

23 ALDERMAN AUSTIN: Yes, that one and the --

24 CHAIRPERSON RAGUSO: Greater West Town

1 Training Center.

2 ALDERMAN AUSTIN: Yes.

3 CHAIRPERSON RAGUSO: Yes, I agree with you.

4 So if there are no further questions or matters of  
5 business --

6 ALDERMAN AUSTIN: Oh, I have a question.

7 CHAIRPERSON RAGUSO: Yes, ma'am.

8 ALDERMAN AUSTIN: In regards to, I guess, a  
9 question that I asked at a previous meeting -- maybe  
10 I received it. I don't recall -- a map or an  
11 overlay of projects that we've done throughout the  
12 city and with identification, did we ever get that?

13 MR. SMITH: Yes, it's been provided.

14 ALDERMAN AUSTIN: Could I get it again?

15 CHAIRPERSON RAGUSO: We will resend it to you.

16 ALDERMAN AUSTIN: Because I honestly don't  
17 remember it.

18 CHAIRPERSON RAGUSO: Absolutely. No problem.

19 Do all the Board members want to see just a  
20 physical --

21 TREASURER NEELY: Sure.

22 CHAIRPERSON RAGUSO: Fine. We'll send that  
23 out, too.

24 Any other matters? Do I have a

1 motion to adjourn the meeting?

2 MR. SAFFOLD: So moved.

3 CHAIRPERSON RAGUSO: Second?

4 ALDERMAN AUSTIN: Second.

5 CHAIRPERSON RAGUSO: All those in favor?

6 (Chorus of ayes.)

7 The meeting is adjourned. Thank  
8 you, Board, for coming.

9 (Which were all the proceedings  
10 had.)

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1 STATE OF ILLINOIS )  
2 COUNTY OF COOK ) SS:  
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4 I, Shari L. Szerbat, a Certified  
5 Shorthand Reporter in and for the County of Cook  
6 and State of Illinois, do hereby certify that I  
7 reported in shorthand the proceedings of said  
8 hearing as appears from my stenographic notes so  
9 taken and transcribed under my direction.

10  
11 IN WITNESS WHEREOF, I have hereunto set  
12 my hand and affixed my seal of office at Chicago,  
13 Illinois, this 28th day of October 2009.

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Illinois CSR License 084-003222  
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